HONOURABLE SHRI JUSTICE R.SUBHASH REDDY

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WRIT PETITION Nos. 6660 & 7306 OF 2006

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Dated 29th April, 2006

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W.P.No. 6660 of 2006

Between:

V.Kishore

… Petitioner

And

The A.P.Forest Development Corpn. Ltd.

Andhra Pradesh, Hyderabad

represented by its Managing Director

and others.

… Respondents.

ORDER:

These two writ petitions are filed aggrieved by the action of the respondents in seeking to recover amounts from the petitioner on account of penalty in violation of the Transport agreement entered into between the petitioner and the A.P. Forest Development Corporation.

One of the contentions in the cases is that though positive directions were issued levying penalty to be recovered from the petitioner, but no notice was issued before passing such orders. It is also the case of the petitioner that in view of the terms and conditions of the agreement, the petitioner is not liable to pay the penalty at all.

When the matters have come up for hearing, learned Standing Counsel for A.P. Forest Development Corporation Limited fairly submits that as orders are passed without prior notice and opportunity, the impugned demands be set aside by permitting the respondents to consider the matter afresh by issuing appropriate notice to the petitioner.

In view of the submission of the learned Standing Counsel for 3rd respondent, the impugned demand notices dated 29.3.2006 are set aside and it is open for the respondents to issue show-cause notice, if there is any violation of the conditions of the agreement, which attracts penalty, hear the petitioner and pass appropriate orders.

As it is submitted by the learned counsel for the petitioner that the violation alleged is not on account of lapse on his part and he is not liable to pay the penalty, the petitioner can take the said plea in the explanation to be filed and it is open for the respondents to consider all the objections raised by the petitioner before passing orders.

The writ petitions are allowed to the extent indicated above. No order as to costs.

28.4.2006 **(R.SUBHASH REDDY, J.)**